

PROPOSITION 65

Date: July 15, 2004

Local Government Funds, Revenues.

State Mandates. Initiative Constitutional Amendment.

Proponents: Steven C. Szalay, Catherine Smith
and Christopher K. McKenzie

BALLOT TITLE AND SUMMARY

**LOCAL GOVERNMENT FUNDS, REVENUES. STATE MANDATES.
INITIATIVE CONSTITUTIONAL AMENDMENT.**

- Requires voter approval for any legislation that provides for any reduction, based on January 1, 2003 levels, of local governments' vehicle license fee revenues, sales tax powers and revenues, and proportionate share of local property tax revenues.
- Permits local government to suspend performance of state mandate if state fails to reimburse local government within 180 days of final determination of state-mandated obligation; except mandates requiring local government to provide/modify: any protection, benefit or employment status to employee/retiree, or any procedural/substantive employment right for employee or employee organization.

**Summary of Legislative Analyst's Estimate of Net State and Local
Government Fiscal Impact:**

- Significant changes to state authority over local finances. Higher local government revenues than otherwise would have been the case, possibly in the billions of dollars annually over time. Any such local revenue impacts would result in decreased resources to the state of similar amounts.

OFFICIAL TITLE AND SUMMARY
PREPARED BY THE ATTORNEY GENERAL

SUBJECT TO COURT
ORDERED CHANGES